for such instruments should be exercised in regard to their custody and issue;

(iv) that amounts on drafts/mail transfers may be written by protectograph machines or pin point typewriters or similar other suitable device to minimise the chances of their being chemically altered. At smaller branches where the drafts are written in hand, reverse carbon should be used on the reverse of the instruments.

Functioning of SBI

2309. SHRI KAILASH NARAIN SARANG: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India, Central Office, Bombay have engaged the services of Mc Kenzie to suggest some reforms in the smooth functioning of the SBI network;

(b) if so, what are the details of the reforms;

(c) whether it is a fact that among other suggestions, they have suggested that JMGS-I, MM-II and MM-III should not be transferred from one module to another module;

(d) whether it is a fact that SBI Central Office, Bombay have already implemented this decision and have requested various Local Head Offices in the country to implement it; and

(e) if so, by which month and year, the SBI Local Head Office, New Delhi in particular and other Local Head Offices, in General, are going to implement this suggestion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) State Bank of India has reported that they had engaged the consultancy firm of M/s Mc Kinsey & Co. to assist in the review of the Bank's strategies, structure, systems, etc. so as to bring them in alignment with environmental changes and take the Bank to world class standards.

(b) The broad recommendations made by the Consultants are as follows:

(i) Restructuring of the Bank's Central Office and Local Head Offices on the basis of distinct business units with profit centre responsibilities.

(ii) Revamping of certain critical processes such as credit, financial management and human resources management.

(iii) Regrouping of various business units on the basis of linkages, commonality of services, under senior functionaries. The five groups identified for the purpose are:

(a) National Banking (b) Consumer Banking (c) Corporate Banking (d) International Banking (e) Associates and Subsidiaries.

(c) and (d) No, Sir.

(e) Does not arise.

Setting up of Economic Security Council

2310. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the former Commonwealth Secretary General, Sir Shridath Ramphal, who is the Co-Chairman of the Commission on Global Governance, has urged India in his press conference on 9.3.95 in New Delhi, to advocate for setting up of an "Economic Security Council" on the lines of W.T.O. (World Trade Organisation) failing which the interests of the poor nations would be marginalised as reported in the "Hindustan Times' dated 10.3.95; and

(b) if so, what steps Government proposed to take before presentation of Final Report in this regard to the U.N. General Assembly on October 22nd this year for discussion and consideration?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a). There is no formal proposal before the United Nations for the creation of an Economic Security Council. The Economic Security Council was suggested by two UNDP reports, but there is no actionable proposal before the United Nations and member states of the UN have not so far engaged in any substantive discussions on this proposal.

(b) Does not arise.

'Performances of SCICI'

2311. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to review SCICI's performance in the fishery sector;

(b) whether it is a fact that SCICI has lost interest in both shipping and fishing sectors;

(c) if so, what are the reasons for not winding up SCICI;

(d) whether its present operations are only duplication of the work of better reputed public financial institutions; and

(e) the measures proposed to assess, the need of SCICI in present context?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) SCICI is governed by policies as decided by its Board of Directors from time to time. In so far as loans granted to shipping and fishing companies by erstwhile Shipping Development Fund Committee are concerned, SCICI acts as an agent (designated person) of Government for recovery/ administration of portfolio.

(b) and (d) SCICI has reported that it has not lost interest in the shipping and fishing sectors and is interested in the overall development of these sectors and would extend the required support for any viable project. While shipping and fishing industries remain the focus areas of SCICI's operations, SCICI had diversified its lending activities to all sectors of the economy with a view to diversify its risks and build up a healthy portfolio.

(c) and (e) Do not arise.

Penalty imposed on bank incurring losses

2312. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has imposed penalty on bank incurring losses;

(b) if so, the details thereof;

(c) whether these banks have requested the RBI to waive the penalty; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India (RBI) has reported that it has not imposed any penalty on banks incurreing losses.

(b) to (d) Do not arise.

Busting of share fraud by CBI

2313. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news items titled "CBI busts big time share fraud" appearing in the 'Indian Express' dated the 17th October, 1994;

(b) if so, the facts thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) The Central Bureau of Investigation (CBI) has indicated that Shri Biman Kumar Aich, a sub-broker in connivance with Shri Ranjit Kumar Das, an officer of Bank of Inida, Main Branch in Bhubneswar substituted fresh share applications in the names of different persons against cheques and drafts presented by genuine applicants in respect of 212 applications for public issues of 11 companies during April and July 1994. On this basis, these companies issued share certificates and refund orders, and the refund orders were encashed through fictitious accounts opened in various banks in Bhubaneswar. Both Shri Aich and Shri Das were arrested and sent to judicial custody. A case has been registered in this regard in the Bhubneswar Branch of CBI.

Economic Reforms and Capital Flow

2314. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the economic reforms programme of Government has not yielded the desired results but instead has opened up private capital flow;

(b) whether there is inherent danger in depending upon so much at such flows in view of the Mexico's experience; and

(c) if so, whether there is any proposal to review the economic reforms programme?